Project Kaizen Looks at Congressional Oversight of Defense Acquisition Programs

William F. Scott, et al.

*T*his article is a product of a Section C, Program Management Course 94-1 project to review congressional oversight of Department of Defense (DoD) acquisition programs with the aim of continuous improvement. The section divided into three teams with charters to analyze pending legislation in both houses of Congress concerning acquisition reform to determine potential impacts on DoD; to examine recurring formal oversight documentation required by Congress; and to examine one-time reports required by law and committee language. This article summarizes some of the findings and conclusions. A list of participating students appears at the end.

BACKGROUND

Legislative oversight of the Military Departments is a responsibility firmly rooted in the Constitution, Article I, Section 8. From the few simple words, "To make rules for the Government and regulation of the land and naval forces," has grown a host of provisions which describe oversight responsibilities of the Congress and the General Accounting Office (GAO). The practices employed to exercise congressional oversight, as tedious as they may be for program managers, serve a vital function— that of providing information to Members of Congress and their staffs to enable better understanding of the operational needs and acquisition priorities of the Services' leadership.

The Congress often requires the Department of Defense to prepare reports to satisfy a variety of needs, not all of which are readily appar-

ent. Members use the mechanisms of Questions for the Record (QFRs) and requests for special reports to reach political compromise and avoid legislative delays. The broad desire of a committee to "do something" on an issue spurs action to require a report be undertaken to flesh out the issues and to isolate possible solutions. Reports are also requested as a forcing function to compel the services to reach consensus among themselves and with the Office of the Secretary of Defense (OSD) on specific issues. Members oftentimes believe that DoD has not made sufficient progress or has been nonresponsive to a QFR or earlier committee language and, therefore, demand a report be prepared. In other cases, information from DoD has been inconsistent or more general than desired. Reports also serve to highlight congressional special interest items and to respond to constituent concerns or interests.

PROJECT KAIZEN METHODOLOGY

A group of senior acquisition professionals, military officers and equivalent grade civilians, undertook a 6-week special project while attending the Defense Systems Management College (DSMC) Program Management Course 94-1. We named the project Kaizen. The word *kaizen* is derived from a Japanese expression referring to the concept of continuous improvement. The focus of this project was specifically to examine Congressional oversight of defense acquisition programs—in particular, the reports process—to establish a current database and to identify areas for potential improvement. The broad purpose of this work was to find ways to improve the quality of information while also looking for more efficient ways to communicate.

The team examined regularly recurring reports or those required by DoD Instruction 5000.2, Defense Acquisition Management Policies and Procedures, and special reports prepared in response to questions or congressional language. The techniques chosen for this work were individual interviews, survey development, data collection (interviews, survey, sample report research), database development, analysis, team assessment, findings and conclusions.

We explored the following hypotheses:

1. Reporting requirements are increasing.

2. Comparison of report format, content and frequency may yield potential efficiencies for DoD.

3. A comprehensive DoD report tracking system would improve the process.

4. Lack of timeliness in reporting is a principal issue.

Bearing in mind the limited time available for this work, Project Kaizen established a target population, composed of both legislative and defense organizations, to develop issues that could be the focus of more careful scrutiny by future working groups. The team interviewed staff professionals of the House Armed Services Committee (HASC), the Senate Armed Services Committee (SASC), the Defense Subcommittee staffs of the House Appropriations Committee (HAC) and the Senate Appropriations Committee (SAC), the Congressional Budget Office (CBO), the Defense Performance Review Office, the Office of the Secretary of Defense (OSD) (Legislative Affairs), the OSD Comptroller, the Office of the Undersecretary of Defense (Acquisition and Technology), the Office of the Deputy Undersecretary of Defense (Acquisition Reform), the Washington Headquarters Service (WHS), and the DoD Inspector General. Clearly, many more players participate in the oversight process. Still, substantive discussions were held with a fair representation of the primary stakeholders.

The team experienced excellent cooperation from all organizations. Numerous stand-alone databases were obtained in hard and soft copy. Actual reports from an Acquisition Category I (ACAT I) program over a full fiscal year were used to create a database containing each report, data element, and its value. This automated database provided the ability to sort and compare the data. The databases were extensively reviewed. Correlating the data between sources yielded results that can be used to streamline and enhance the utility of future reporting.

The results serve to illuminate the degree of inconsistency and duplication of effort. As expected, the data was inconsistent because of significant program changes between submittal dates of the various reports. For example, subsequent to submittal of the Selected Acquisition Report (SAR), the production quantities were decreased and the unit cost was updated to provide the most accurate estimate for submission of the President's budget. While some reports can be eliminated and while it is certain that combining some reports into fewer submittals would reduce inconsistency, the need to provide Congress with the latest and most accurate information would still have to be accommodated.

FINDINGS

Report requirements continue to increase. Trends in report requirements indicate no lessening of the need for information. According to a report from the Secretary of Defense to the President dated January 1990, DoD reports to Congress grew 224% from 1980 to 1988, far faster

than any other government agency and nearly three times the average growth of other agencies. Acquisition issues comprise approximately 45% of the reports requested by Congress.

No comprehensive report tracking system exists either within Congress or in the DoD. The lack of a comprehensive tracking system results in duplicative requests for information and needless expenditure of DoD resources to repeatedly respond. A DoD tracking system existed in the mid-80s which served the need well, but this directory is no longer provided. Interestingly, some in DoD believe that the tracking function is performed by the DoD Comptroller (DoD(C)). In fact, the DoD(C) only monitors submission of most non-recurring reports, while the Washington Headquarters Service monitors submission of some recurring reports. Neither office provides routine status reports to Congress on tracking of actions assigned. Therefore no organization is tracking the entire body of requests from Congress (QFRs, recurring reports, and one-time reports that apply to both budget and technical issues).

Timeliness of reports is a major issue. Congressional staffers are of the opinion that the DoD response circuit is unnecessarily complex. If a problem with a due date surfaces, the staff and Members would like to know informally, well before the suspense date rather than receive a formal letter on or very near the deadline. Staffers suggested that, particularly for one-time reports, the requester should be able to work directly with the DoD action officer to ensure a useful product is obtained.

Recurring reports are useful. The sampled population had no recommendations for change in either format or content. The most valuable acquisition reports are the SAR, Research and Development Descriptive Summaries (RDDS), Congressional Data Sheets (CDS), and budget back-up books. Research, Development, Test and Evaluation (RDT&E) budget exhibits are intensely scrutinized by the Services, OSD(C) staff, and the professional staffs of the four congressional defense committees. Although RDT&E funding is small compared to other appropriations, it is the cornerstone for each program. The format for this recurring report changes almost annually, requiring more detail at each revision. The latest formats were profoundly different from prior years. As a spinoff of Project Kaizen, an RDT&E Budget Exhibits Handbook has been prepared which provides step-by-step instructions on the preparation, analysis, and scrub of these exhibits. Based on the team assessment, opportunity exists to streamline the recurring reports.

The congressional staffers surveyed are generally satisfied with the reports, even though quality varies. Some reports do not answer the question asked. In other cases, reports are not appropriate for the intended audience. Two specific reports—the Industrial Base Strategy and

Critical Technology Plan—are perceived by the staff to be urgently needed and are sometimes delinquent. Both represent long-term investment strategies and critical planning that will define a process for smart spending of scarce resources. The surveyed staffers indicate that Members see these plans, once agreed upon by DoD and Congress, as being the necessary management tools for long-term investment, which would reduce the tendency to "earmark" funds for special interest research and development.

CONCLUSIONS

All four hypotheses explored by Project Kaizen were confirmed. Reporting requirements continue to increase. Potential efficiencies can be gained by changing some aspects of the communication process with Congress. A comprehensive DoD report tracking system would certainly improve the information flow. And finally, timeliness of the reports is a principal concern.

RECOMMENDATIONS

The DoD should:

- Develop a comprehensive tracking system and establish a single point of contact (POC) to coordinate all congressional reporting requirements. This POC should have sufficient authority to commit resources and influence the delivery of required products. The POC would deconflict/rationalize tasks to streamline and consolidate requests to avoid duplication or overlaps. Furthermore, the POC would work with congressional staffers on setting priorities and negotiating deadlines, if necessary, on outstanding requests.

- Submit reports to Congress electronically. Currently staffers neither retain all reports provided nor have time during critical committee activity to search for information previously provided. Use of an electronic database with index and key word search capability would greatly enhance access, encourage retrieval of existing information, and conceivably reduce the need for special requests. Commercially available management information systems provide sufficient levels of program indenture to enable rapid retrieval of technical, financial, and programmatic information. A pilot program, sponsored under the provisions of the National Performance Review (NPR), could equip the legislative liaison offices with a uniform digital information management system able to receive information electronically. This would support: (1) more rapid transfer

of information between DoD and Congress; (2) mass distribution of information to appropriate committees/subcommittees; and (3) automated search and retrieval of information already provided to answer queries from Congress without the need for a special report.

- Facilitate more open dialogue between the requester and the DoD action agent preparing the response. Direct communication would help ensure that the right information in the right format is provided to Congress the first time. On the other hand, action officers involved in liaison with staffers must clearly understand the limits of their charter—that is, to reach clear understanding of the requirement and not to articulate a Service position on specific subjects under review.

- Know your customer. Regardless of the level of detail provided, some will view the report as too technical and others as not specific enough. Consider providing reports with varying levels of detail such as a summary statement supplemented by a detailed report.

- Establish a process action team (PAT) whose goal is reducing the number of regularly recurring reports to Congress. Project Kaizen readily determined that the Unit Cost Report and the Exception Unit Cost Report should be eliminated since all critical information is contained in the SAR and Exception SAR. We also concluded that the Defense Acquisition Executive Summary (DAES), while not submitted to Congress, could be used as the principal program database and could replace other recurring reports submitted to Congress (such as the SAR and APB).

- Establish an Integrated Product/Process Team (IPPT) to complete and publish the RDT&E Budget Exhibits Handbook. This Handbook, drafted as a spinoff of Project Kaizen, is currently under review at DSMC. In addition to aiding program managers in preparing RDT&E budget exhibits, the guide provides hints on common errors, omissions, and questions often asked by analysts in reviewing the documents. An IPPT is needed to complete the document, publish, distribute and maintain the handbook.

- Place priority on completing two reports of special interest to Congress: the Industrial Base Study and the Critical Technologies Plan. Both were perceived to be overdue to Congress and, therefore, require urgent attention by DoD. In the absence of a DoD plan or

strategy, the risk is that Congress will take action which may have undesirable consequences for national defense.

SUMMARY

Congressional oversight, while serving the vital function of keeping Congress informed of the operational needs and acquisition priorities of the military departments, creates a significant burden on program managers. At the same time, the Constitution clearly mandates that Congress has the fundamental responsibility ". . . to provide for the common defense . . . to raise and support armies . . . to provide and maintain a Navy . . . to make rules for the Government and regulations of the land and naval forces." The exercise of that responsibility has resulted in a burgeoning list of recurring and one-time reports on acquisition programs.

Opportunities exist for streamlining both the process and content of reports to Congress. The NPR and the Secretary of Defense have recently empowered us to challenge the old ways and to pilot demonstration projects in reengineering government functions. In today's manpower and funding constrained environment, we must turn our energy to finding better ways of communicating vital acquisition information to Congress.

Colonel Scott, USMC, led the team which participated in Project Kaizen and contributed to this article. Team members were: Vicky R. Armbruster; Mark R. Bebar; James R. Carlson; James Colombo, Sr.; Richard E. Edelman; Scott E. Farnsworth; Craig A. Farr; CAPT Robert N. Freedman, USN; Douglas C. Gage; CAPT Michael T. Gehl, USN; Thomas C. Golart; Thomas H. Holzer; Dr. Virginia Kobler; David R. LaRochelle; Col Robert N. Leavitt, USMC; Sue A. Lumpkins; CAPT John T. Manvel, Jr., USN; Billy S. Miller; James A. Nooney; Peter D. Patrick; Jeffrey T. Pearl; Col James R. Penick, USAF; CAPT John H. Priesel, USN; Joseph M. Rivamonte; William E. Roberson, Jr.; CAPT Dennis L. Ryan, III, USN; Philip H. Spector; Col Billy K. Stewart, USAF; CAPT Peter B. Strickland, USN; and Mark C. Tutten.

REFERENCE

Secretary of Defense Dick Cheney. (1990, January). *White Paper on Department of Defense and the Congress*. A Report to the President.

SELECTED BIBLIOGRAPHY

Defense Science Board Task Force. (1993, July). *A Report on Defense Acquisition Reform*. Washington, DC: Department of Defense.

Defense Acquisition Reform Act of 1993. 103d Congress. 1st Session. HR 3586.

DoD Acquisition Law Advisory Panel ["Section 800 Panel"]. (1993, January). *Streamlining Defense Acquisition Laws*. [Report to Congress]. Washington, DC.

DoD Acquisition Law Advisory Panel. (1993, March). *Executive Summary: Streamlining Defense Acquisition Laws*. DSMC Press. Washington, DC: U.S. Government Printing Office [Stock # 008-020-01298-0].

Federal Acquisition Improvement Act of 1993. 103d Congress, 1st Session. HR 2238.

Federal Acquisition Streamlining Act of 1993. 103d Congress, 1st Session. S 1587.

Jones, Jr., W. D. (1992). *Congressional Involvement and Relations: A Guide for Department of Defense Acquisition Managers* (3rd ed.). DSMC Press. Washington, DC: U.S. Government Printing Office.

Kaitz, E. M. & Jankowsky, K. (1993). *The Effects of a Scale-Down in Defense Budgets, Vol I*. DSMC Press. Washington, DC: U.S. Government Printing Office.

McKenna and Cuneo Law Office. (1993). *Federal Acquisition Reform*. Washington, DC.

OASD(PA). (1993, October). *DoD's Acquisition Reform Recommendations to 800 Panel News Release*. No. 517-93. Washington, DC: Department of Defense.

ODUSD (Acquisition Reform). (1994, January). *Acquisition Reform! A Mandate for Change*. Washington, DC: Department of Defense.

ODUSD (Acquisition Reform). (1994, April). *How to Reengineer the DoD Acquisition System* [Draft]. Washington, DC: Departmentof Defense.

Preston, C. (1994). Acquisition Reform: Making it a Reality. *Acquisition Review Quarterly, I* (1), DSMC Press. Fort Belvoir, VA: Defense Acquisition University.

Senate Committees on Governmental Affairs and Armed Services. (1994). *Statement of the Acquisition Reform Working Group Concerning Comprehensive Acquisition Reform*. 103d Congress, 2d Session.